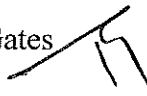




## Memo

To: Roanoke County Board of Supervisors

From: Thomas C. Gates 

Date: April 1, 2016

Subject: Budget Memorandum #4: Fiscal Year 2017 County Couple Health and Dental Insurance Rates

At the March 22, 2016 Total Compensation Budget work session, the Board of Supervisors received information regarding the County Administrator's proposal to eliminate the County Couple health and dental insurance benefit. Currently, the County Couple insurance benefit provides deeply discounted health and dental insurance rates for families where both spouses work for the County or one spouse works for the County and one works for the Roanoke County Public Schools (RCPS). A total of 29 couples (42 County employees / 16 RCPS employees) utilize this benefit. The County Administrator's budget proposal recommends elimination of this benefit option given the benefit is available to a very small percentage of all employees, the discounted rate received by those eligible creates additional expense for all other employees, and there is no definable organizational purpose for the offering.

Table A below compares the County Couple rates to family rates in Fiscal Year 2016.

<b>TABLE A: FY 2015-2016 COMBINED County Couple Health &amp; Dental Rates</b>					
No. of Couples	Plan	Wellness	FY 15-16 County Couple Monthly Rate	FY 15-16 Family Monthly Rate	Monthly Savings: Family - Couple Rate
4	Key Care 200	Both Wellness	\$235.14	\$520.44	<b>\$285.30</b>
8	Key Care 200	One Wellness	\$315.14	\$520.44	<b>\$205.30</b>
2	Key Care 200	No Wellness	\$425.14	\$630.44	<b>\$205.30</b>
2	Key Care 1000	Both Wellness	\$82.04	\$367.34	<b>\$285.30</b>
13	Key Care 1000	One Wellness	\$162.04	\$367.34	<b>\$205.30</b>

During the work session, Board Members expressed concern that immediate implementation of the change in benefit would result in a significant negative impact to the take-home pay of County employees currently receiving this benefit. Board members requested staff consider options for lessening the financial impact while transitioning those currently receiving the County Couple discount to the family insurance costs incurred by all other employees.

Staff is now proposing a three year, phased elimination of the benefit. Table B below provides details on the County Couple health and dental insurance rates for Fiscal Year 2017. A three-year projection of County Couple employee health and dental insurance premiums is included as attachment #1.

<b>TABLE B: FY 2016-2017 COMBINED County Couple Health &amp; Dental Rates</b>					
No. of Couples	Plan	Wellness	FY 15-16 County Couple Monthly Rate	FY 16-17 County Couple Monthly Rate	FY 16-17 Increase
4	Key Care 200	Both Wellness	\$235.14	\$351.57	<b>\$116.43</b>
8	Key Care 200	One Wellness	\$315.14	\$404.90	<b>\$89.76</b>
2	Key Care 200	No Wellness	\$425.14	\$516.48	<b>\$91.34</b>
2	Key Care 1000	Both Wellness	\$82.04	\$190.35	<b>\$108.31</b>
13	Key Care 1000	One Wellness	\$162.04	\$243.68	<b>\$81.64</b>

These new County Couple employee monthly premium rates for Fiscal Year 2017 will take effect with the July 15, 2016 payday.

Attachment 1: Projected three-year phase-in of County Couple health & dental insurance rates

cc: Rebecca Owens, Director of Finance  
Chris Bever, Director, Office of Management and Budget

**ATTACHMENT #1**

## County Couple Health and Dental Insurance Rate Elimination Three-Year Phase-In

COMBINED County Couple Health & Dental Rates						
No. of Couples	Plan	Wellness	FY 15-16 County Couple Rate	FY 16-17 County Couple Rate	FY 17-18 County Couple Rate*	FY 18-19 County Couple Rate*
4	Key Care 200	Both Wellness	\$235.14	\$351.57	\$468.00	\$584.43
8	Key Care 200	One Wellness	\$315.14	\$404.90	\$494.67	\$584.43
2	Key Care 200	No Wellness	\$425.14	\$516.48	\$607.81	\$699.15
2	Key Care 1000	Both Wellness	\$82.04	\$190.35	\$298.66	\$406.97
13	Key Care 1000	One Wellness	\$162.04	\$243.68	\$325.33	\$406.97

\* FY 17-18 and FY 18-19 do NOT reflect premium rate increases and premiums have been left flat to accurately reflect the amounts required for the phase-in approach; actual rates would include the phase-in amount **PLUS** annual premium increases for all County employees.